



[SEC File No. 270-389, OMB Control No. 3235-0444]

Submission for OMB Review; Comment Request; Extension: Rule 10b-10

Upon Written Request, Copies Available From:
Securities and Exchange Commission
Office of FOIA Services
100 F Street, NE
Washington, DC 20549-2736

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) (“PRA”), the Securities and Exchange Commission (“Commission”) has submitted to the Office of Management and Budget (“OMB”) a request for approval of extension of the previously approved collection of information provided for in Rule 10b-10 (17 CFR 240.10b-10) under the Securities and Exchange Act of 1934 (15 U.S.C. 78a et seq.).

Rule 10b-10 requires broker-dealers to convey specified information to customers regarding their securities transactions. This information includes the date and time of the transaction, the identity and number of shares bought or sold, and whether the broker-dealer acts as agent for the customer or as principal for its own account. Depending on whether the broker-dealer acts as agent or principal, Rule 10b-10 requires the disclosure of commissions, as well as mark-up and mark-down information. For transactions in debt securities, Rule 10b-10 requires the disclosure of redemption and yield information. Rule 10b-10 potentially applies to all of the approximately 3,531 firms registered with the Commission that effect transactions for or with customers.

Based on information provided by registered broker-dealers to the Commission in FOCUS Reports, the Commission staff estimates that on average, registered broker-dealers process approximately 27,151,388,510 order tickets per year for transactions for or with customers. Each order ticket representing a transaction effected for or with a customer generally results in one confirmation. Therefore, the Commission staff estimates that approximately 27,151,388,510 confirmations are sent to customers annually. The confirmations required by Rule 10b-10 are generally processed through automated systems. It takes approximately 30 seconds to generate and

send a confirmation. Accordingly, the Commission staff estimates that broker-dealers spend approximately 226,261,571 hours per year complying with Rule 10b-10 ($27,151,388,510 \times .5 \div 60$).

The number of confirmations sent and the cost of sending each confirmation varies from firm to firm. Smaller firms generally send fewer confirmations than larger firms because they effect fewer transactions. The Commission staff estimates the cost of producing and sending a paper confirmation, including postage, to be approximately 67 cents. The Commission staff also estimates that the cost of producing and sending a wholly electronic confirmation is approximately 40 cents. Based on informal discussions with industry participants, as well as representations made in requests for exemptive and no-action letters relating to Rule 10b-10, the staff estimates that broker-dealers used electronic confirmations for approximately 35 percent of transactions. Based on these calculations, Commission staff estimates that 17,648,402,532 paper confirmations are mailed each year at a cost of \$11,824,429,696. Commission staff also estimates that 9,502,985,979 wholly electronic confirmations are sent each year at a cost of \$3,801,194,392. Accordingly, Commission staff estimates that the total annual cost associated with generating and delivering to investors the information required under Rule 10b-10 is approximately \$15,625,624,088.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information under the PRA unless it displays a currently valid OMB control number.

The public may view background documentation for this information collection at the following website: www.reginfo.gov. Find this particular information collection by selecting "Currently under 30-day Review - Open for Public Comments" or by using the search function. Written comments and recommendations for the proposed information collection should be sent by **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION OF THIS NOTICE IN THE FEDERAL REGISTER]** to

(i) www.reginfo.gov/public/do/PRAMain and (ii) David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, c/o John Pezzullo, 100 F Street, NE, Washington, DC 20549, or by sending an e-mail to: PRA_Mailbox@sec.gov.

Dated: January 18, 2023.

Sherry R. Haywood,
Assistant Secretary.

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